

Deloitte Financial Advisory Services LLP
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Parsippany, New Jersey 07054
Telephone: 973-602-5626
Kirk Blair
Debtors' Advisor

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**FINAL FEE APPLICATION OF DELOITTE FINANCIAL ADVISORY SERVICES LLP
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS ADVISOR
FROM MAY 3, 2017 THROUGH NOVEMBER 30, 2019**

Name of Applicant:	Deloitte Financial Advisory Services LLP
Retained to Provide Professional Services as:	Advisor
Date of Retention:	May 3, 2017
Period for which Compensation and Reimbursement is Sought:	May 3, 2017 through November 30, 2019
Total Amount of Fees Requested:	\$ 23,924,332.83
Amount of Expense Reimbursement Sought	\$ <u>1,269,767.31</u>
Total Amount of Fees and Expense Reimbursement Sought as Actual, Reasonable and Necessary	\$ <u>25,194,100.14</u>
This is a(n) _____ Monthly _____ Interim _____ X _____	Final Fee Application/Statement

PRIOR INTERIM FEE APPLICATIONS FILED

Date Filed	Period Covered	Requested Fees	Requested Expenses	Approved Fees	Approved Expenses
December 15, 2017	May 3, 2017 - Sept. 30, 2017	\$ 6,647,370.29	\$ 441,830.04	\$ 6,601,040.98	\$ 432,520.69
May 4, 2018	Oct. 1, 2017 - Jan. 31, 2018	\$ 882,513.00	\$ 85,109.86	\$ 867,877.78	\$ 74,814.25
August 30, 2018	Feb. 1, 2018 - May 31, 2018	\$ 3,124,262.00	\$ 129,381.88	\$ 3,096,143.98	\$ 127,438.76
August 22, 2019	Jun. 1, 2018 - Sept. 30, 2018	\$ 3,021,163.10	\$ 116,696.34	\$ 3,030,552.20	\$ 114,445.37
January 29, 2020	Oct. 1, 2018 - Jan. 31, 2019	\$ 2,040,973.20	\$ 77,313.82	\$ 2,024,069.50	\$ 75,629.15
October 14, 2020	Feb. 1, 2019 - May 31, 2019	\$ 5,891,411.40	\$ 313,178.46	\$ 5,868,068.52	\$ 306,520.42
November 12, 2020	Jun. 1, 2019 - Sept. 30, 2019	\$ 1,988,099.60	\$ 126,001.20	\$ 1,977,102.63	\$ 121,662.63
January 5, 2021	Oct. 1, 2019 - Nov. 30, 2019	\$ 461,748.90	\$ 18,790.40	\$ 459,477.24	\$ 16,736.04
TOTAL		\$ 24,057,541.49	\$ 1,308,302.00	\$ 23,924,332.83	\$ 1,269,767.31

PERSONNEL

For the Period from May 3, 2017 through November 30, 2019

Professional	Level	Rate	Hours	Fees
Blair, Kirk	Partner	\$621.00	175.4	\$108,923.40
Goodwin, Jeff	Partner	\$621.00	710.6	\$441,282.60
Harris, Andy	Principal	\$621.00	318.5	\$197,788.50
Hurley, Timothy	Principal	\$621.00	473.4	\$293,981.40
Marquez, Harry	Partner	\$621.00	1,236.3	\$767,742.30
Trainor, Ed	Principal	\$621.00	272.3	\$169,098.30
Vij, Aman	Principal	\$621.00	9.0	\$5,589.00
Young, Chris	Principal	\$621.00	253.7	\$157,547.70
Cortez, Berto	Managing Director	\$585.00	502.1	\$293,728.50
Doyle, John	Managing Director	\$585.00	1,723.8	\$1,008,423.00
Ferraro, Rick	Managing Director	\$585.00	140.4	\$82,134.00
Grams, Todd	Managing Director	\$585.00	9.8	\$5,733.00
Lenter, David	Managing Director	\$585.00	16.6	\$9,711.00
McCabe, Michael	Managing Director	\$585.00	87.7	\$51,304.50
Puia, Jim	Managing Director	\$585.00	27.5	\$16,087.50
Vazquez-Rivera, Jose	Managing Director	\$585.00	1,184.6	\$692,991.00
Blair, Kirk	Partner	\$352.00	6.6	\$2,323.20
Doyle, John	Managing Director	\$352.00	6.0	\$2,112.00
Goodwin, Jeff	Partner	\$352.00	86.5	\$30,448.00
Marquez, Harry	Partner	\$352.00	143.2	\$50,406.40
Harris, Andy	Principal	\$352.00	20.5	\$7,216.00
Brisolari, Robert	Senior Manager	\$546.00	2.6	\$1,419.60

Faustinelli, Mariana	Senior Manager	\$546.00	95.5	\$52,143.00
Gabb, James	Senior Manager	\$546.00	2,554.0	\$1,394,484.00
Hoesley, Martin	Senior Manager	\$546.00	166.3	\$90,799.80
Kennedy, Cade	Senior Manager	\$546.00	437.2	\$238,711.20
Khan, Fahad	Senior Manager	\$546.00	36.5	\$19,929.00
Lew, Matt	Senior Manager	\$546.00	686.0	\$374,556.00
Marquez, Harry	Senior Manager	\$546.00	214.8	\$117,280.80
McLean, John	Senior Manager	\$546.00	38.9	\$21,239.40
Morla, Marcos	Senior Manager	\$546.00	2613.3	\$1,426,861.80
O'Sullivan, Sean	Senior Manager	\$546.00	12.5	\$6,825.00
Pizzo, Chris	Senior Manager	\$546.00	723.0	\$394,758.00
Santos, Alan	Senior Manager	\$546.00	7.5	\$4,095.00
Saran, Daljeet	Senior Manager	\$546.00	558.0	\$304,668.00
Schwendeman, Jeffrey	Senior Manager	\$546.00	61.9	\$33,797.40
Shrestha, Ashish	Senior Manager	\$546.00	7.2	\$3,931.20
Singh, Amit	Senior Manager	\$546.00	511.3	\$279,169.80
Sola, Roberto	Senior Manager	\$546.00	40.2	\$21,949.20
Soran, Vlad	Senior Manager	\$546.00	204.8	\$111,820.80
Cardenas, Eric	Senior Manager	\$328.00	17.3	\$5,674.40
Gabb, James	Senior Manager	\$328.00	94.0	\$30,832.00
Morla, Marcos	Senior Manager	\$328.00	510.6	\$167,476.80
Rodriguez, Felipe	Senior Manager	\$328.00	2.0	\$656.00
Alagba, Nimi	Manager	\$507.00	158.5	\$80,359.50
Audi, Roy	Manager	\$507.00	33.3	\$16,883.10
Carey, Diana	Manager	\$507.00	457.1	\$231,749.70
Colon-Morales, Amariys	Manager	\$507.00	4.0	\$2,028.00
DiSomma, Francis	Manager	\$507.00	459.1	\$232,763.70
Forteza, Rebecca	Manager	\$507.00	6.3	\$3,194.10
Klingler, Maureen	Manager	\$507.00	9.5	\$4,816.50
Levy, Jared	Manager	\$507.00	836.4	\$424,054.80
Morahan, Tim	Manager	\$507.00	31.1	\$15,767.70
Pearson, Libby	Manager	\$507.00	108.7	\$55,110.90
Pereira, Ravin	Manager	\$507.00	193.8	\$98,256.60
Quails, Mike	Manager	\$507.00	1,466.9	\$743,718.30
Ramos, Edwin	Manager	\$507.00	2,478.9	\$1,256,802.30
Rodriguez, Felipe	Manager	\$507.00	249.7	\$126,597.90
Shupe, Birian	Manager	\$507.00	585.4	\$296,797.80
Stover, Kate	Manager	\$507.00	178.6	\$90,524.85
Sundaram, Swami	Manager	\$507.00	352.9	\$178,920.30
Theochardis, Costas	Manager	\$507.00	285.8	\$144,900.60

Vela, Ruben	Manager	\$507.00	17.0	\$8,619.00
DiSomma, Francis	Manager	\$289.00	196.0	\$56,644.00
Levy, Jared	Manager	\$289.00	15.8	\$4,566.20
Ramos, Edwin	Manager	\$289.00	350.6	\$101,323.40
Ateba, Max	Senior Associate	\$429.00	2.3	\$986.70
Blumenthal, Emily	Senior Associate	\$429.00	1,427.4	\$612,354.60
Brubaker, Ted	Senior Associate	\$429.00	32.4	\$13,899.60
Calimano-Colon, Alberto	Senior Associate	\$429.00	309.7	\$132,861.30
Casella, Stephen	Senior Associate	\$429.00	4.8	\$2,059.20
Chioke, Ezinne	Senior Associate	\$429.00	1,122.1	\$481,380.90
Day, Addison	Senior Associate	\$429.00	1.9	\$815.10
Demming, Ashley	Senior Associate	\$429.00	394.2	\$169,111.80
Diaz Hernandez, Miguel	Senior Associate	\$429.00	129.0	\$55,341.00
Forteza, Rebecca	Senior Associate	\$429.00	14.6	\$6,263.40
Gil Diaz, Pablo	Senior Associate	\$429.00	1,773.5	\$760,831.50
Gleason, Luke	Senior Associate	\$429.00	85.8	\$36,808.20
Gomez, Mildred	Senior Associate	\$429.00	151.0	\$64,779.00
Gonzalez, Rita	Senior Associate	\$429.00	51.9	\$22,265.10
Haysom, John	Senior Associate	\$429.00	292.7	\$125,568.30
Khayaltdinova, Ada	Senior Associate	\$429.00	540.2	\$231,745.80
Kebedom, Hewan	Senior Associate	\$429.00	147.2	\$63,148.80
Kelley, Michael	Senior Associate	\$429.00	106.9	\$45,860.10
Konde, Hawa	Senior Associate	\$429.00	924.7	\$396,696.30
Lobe, Hortensia	Senior Associate	\$429.00	514.8	\$220,849.20
Nguyen, Phuong	Senior Associate	\$429.00	274.6	\$117,820.56
Nguyen, Van	Senior Associate	\$429.00	130.5	\$55,984.50
O'Neal, Emma	Senior Associate	\$429.00	580.2	\$248,905.80
Palmiero, Salvatore	Senior Associate	\$429.00	51.2	\$21,964.80
Pereira, Ravin	Senior Associate	\$429.00	394.9	\$169,412.10
Petriello, John	Senior Associate	\$429.00	432.1	\$185,370.90
Primbas, Charlie	Senior Associate	\$429.00	58.6	\$25,139.40
Starck, Megan	Senior Associate	\$429.00	19.0	\$8,151.00
Valencia, Veronica	Senior Associate	\$429.00	1,287.1	\$552,165.90
Velez, Juan	Senior Associate	\$429.00	19.8	\$8,494.20
Wheelock, John	Senior Associate	\$429.00	675.5	\$289,789.50
Zhang, Jieyu	Senior Associate	\$429.00	95.9	\$41,141.10
Ferraro, Rick	Contractor	\$375.37	372.0	\$139,639.50
Blumenthal, Emily	Senior Associate	\$276.00	238.9	\$65,936.40
Goins, Deandre	Senior Associate	\$276.00	111.0	\$30,636.00
Petriello, John	Senior Associate	\$276.00	124.1	\$34,251.60

Akota, Yolanda	Associate	\$366.00	109.8	\$40,186.80
Badr, Yasmin	Associate	\$366.00	2,137.6	\$782,361.60
Braunstein, Sofia	Associate	\$366.00	236.7	\$86,632.20
Brewer, Anne	Associate	\$366.00	170.8	\$62,512.80
Chin, Christopher	Associate	\$366.00	53.6	\$19,617.60
Dajani, Joshua	Associate	\$366.00	8.0	\$2,928.00
Gil Diaz, Pablo	Associate	\$366.00	569.0	\$208,254.00
Kim, Nancy	Associate	\$366.00	47.2	\$17,275.20
Kourosh, Ashtary	Associate	\$366.00	69.8	\$25,546.80
Lee, Kevin	Associate	\$366.00	359.0	\$131,394.00
Martinez-Figueras, Hector	Associate	\$366.00	2,037.4	\$745,688.40
Mason, Terry	Associate	\$366.00	334.4	\$122,390.40
Olson, Nellwyn	Associate	\$366.00	42.5	\$15,555.00
Prommel, Patrick	Associate	\$366.00	319.8	\$117,046.80
Rana, Neha	Associate	\$366.00	827.8	\$302,974.80
Rios, Nicole	Associate	\$366.00	910.3	\$333,169.80
Schimmel, Mike	Associate	\$366.00	118.4	\$43,334.40
Steinway, Jon	Associate	\$366.00	135.7	\$49,666.20
Thapaliya, Abhiyan	Associate	\$366.00	99.2	\$36,307.20
Torres, Jose	Associate	\$366.00	2,369.6	\$867,273.60
Torres, Melanie	Associate	\$366.00	191.9	\$70,235.40
Velez, Juan	Associate	\$366.00	234.0	\$85,644.00
Watson, Cole	Associate	\$366.00	627.4	\$229,628.40
Werley, Trey	Associate	\$366.00	395.8	\$144,862.80
Yazdi, Kourosh	Associate	\$366.00	702.7	\$257,188.20
Ypil, Kriezl	Associate	\$366.00	394.6	\$144,423.60
Abrom, Carisa	Para-Professional	\$255.00	12.9	\$3,289.50
Gutierrez, Dalia	Para-Professional	\$255.00	357.4	\$91,137.00
Chioke, Ezinne	Associate	\$236.00	330.0	\$77,880.00
Figuroa, Ronnie	Associate	\$236.00	210.2	\$49,607.20
Torres, Jose	Associate	\$236.00	626.4	\$147,830.40
Ypil, Kriezl	Associate	\$236.00	346.9	\$81,868.40
Badr, Yasmin	Associate	\$225.00	271.8	\$61,155.00
Rios, Nicole	Associate	\$225.00	512.2	\$115,245.00
Smith, Ripken	Associate	\$225.00	229.2	\$51,570.00
Torres, Melanie	Associate	\$225.00	629.1	\$141,547.50

Watson, Cole	Associate	\$225.00	100.9	\$22,702.50
Yazdi, Kourosh	Associate	\$225.00	317.5	\$71,437.50
Barth, Melysa	Associate	\$217.00	9.1	\$1,974.70
TOTAL FINAL FEE APPLICATION FEES				55,824.4
				\$24,969,820.61
<i>Blended Hourly Rate Before Discount</i>				\$ 447.29
DISCOUNT				\$ (912,279.12)
TOTAL FINAL APPLICATION FEES WITH DISCOUNT				\$24,057,541.49
<i>Less: Interim Fee Application Agreed Reductions</i>				\$ (133,208.66)
TOTAL FINAL APPLICATION FEES WITH REDUCTIONS				\$23,924,332.83
FINAL FEE APPLICATION BLENDED HOURLY RATE WITH DISCOUNT				\$ 428.56

COMPENSATION BY CATEGORY

For the Period from May 3, 2017 through November 30, 2019

Category	Hours	Billable Amount
Project Management and Reporting Process for GPR Rightsizing Transformation	4,059.9	\$1,836,180.90
FY18 and FY19 GPR Budgets	6,372.0	\$3,386,007.00
ASES Provider RFP Response Evaluation	34.3	\$20,310.30
Cost Management - Payroll, Contracts, Accounts Payable and Disbursement Processes	2,484.1	\$1,186,840.20
FY 18 Tax Revenue Enhancement Initiatives	17,314.7	\$7,375,582.60
GPR Modified Accrual	1,296.7	\$609,836.10
GPR Office of the CFO Support	19,283.5	\$8,193,435.10
Confidential GPR Revenue Enhancement Initiative	1,658.7	\$785,659.50
FY 17 Executive Order Cost Savings	716.7	\$368,066.10
Monthly Fee Statement / Interim Fee Application Preparation	1,660.4	\$690,834.40
Plan, Supervise and Review	943.4	\$517,068.41
TOTAL FINAL FEE APPLICATION FEES		55,824.4
		\$24,969,820.61
<i>Blended Hourly Rate Before Discount</i>		\$ 447.29
DISCOUNT		\$ (912,279.12)
TOTAL FINAL FEE APPLICATION FEES WITH DISCOUNT		\$ 24,057,541.49
<i>Less: Interim Fee Application Agreed Reductions</i>		\$ (133,208.66)
TOTAL FINAL FEE APPLICATION FEES WITH REDUCTIONS		\$ 23,924,332.83
FINAL FEE APPLICATION BLENDED HOURLY RATE WITH DISCOUNT		\$ 428.56

EXPENSES BY CATEGORY

For the Period from May 3, 2017 through November 30, 2019

Category	Total
Airfare	\$ 510,398.78
Airline Baggage Fees	\$ 61,714.20
Auto Tolls	\$ 15,117.80
Hotel	\$ 469,467.58
Internet Access While Traveling	\$ 772.35
Meals	\$ 129,690.36
Mileage	\$ 594.03
Miscellaneous	\$ 85.00
Office Supplies & Stationery	\$ 80.11
Parking	\$ 18,038.67
Postage, Express Mail, Courier	\$ 1,116.88
Telephone, Conference	\$ 69.60
Transportation	\$ 101,156.64
Subtotal for Expenses	\$ 1,308,302.00
<i>Less: Agreed Expense Reductions</i>	\$ (38,534.69)
Total	\$ 1,269,767.31

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**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**FINAL FEE APPLICATION OF DELOITTE FINANCIAL ADVISORY SERVICES LLP
FOR COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS ADVISOR
FROM MAY 3, 2017 THROUGH NOVEMBER 30, 2019**

Pursuant to sections 316 and 317 of Title III of the Puerto Rico Oversight, Management and Economic Stability Act (“PROMESA”) and Rule 2016 of the Federal Rules of Bankruptcy Procedure (collectively the “Bankruptcy Rules”), made applicable herein pursuant to section 310 of PROMESA, Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico, adopted by the Court on May 16, 2013 (the “Local Bankruptcy Rules”) and this Court’s *Second Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated June 6, 2018 [Docket No. 3269] (the “Second Amended Interim Compensation Order”), Deloitte Financial

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) ; (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

Advisory Services LLP (“Deloitte FAS”), as advisor to the debtors associated with the above-captioned cases (collectively, the “Debtors,” “Government of Puerto Rico,” or “GPR”), hereby submits its final fee application (the “Final Fee Application”) for the compensation of professional services performed by Deloitte FAS and reimbursement of expenses incurred in connection therewith for the period commencing May 3, 2017 through and including November 30, 2019 (the “Final Fee Application Period”).

REQUESTED FEES AND REIMBURSEMENT OF EXPENSES

1. By this Final Fee Application, Deloitte FAS seeks allowance of compensation in the amount of \$23,924,332.83 and reimbursement of actual and necessary expenses incurred in the amount of \$1,269,767.31 for the Final Fee Application Period.

2. All services for which Deloitte FAS requests compensation were performed for the Debtors. The time detail for Final Fee Application Period was attached to Deloitte FAS’s previously filed interim fee applications [Docket Nos. 2062, 3017, 3831, 8520, 10530, 14573, 15099, and 15549] (the “Interim Fee Applications”) which, for the sake of brevity, is incorporated herein by reference. The previously filed interim fee applications contain time entries describing the time spent by each professional and paraprofessional during the Final Fee Application Period. To the best of Deloitte FAS’s knowledge, this Final Fee Application substantially complies with the applicable Bankruptcy Rules, the Local Bankruptcy Rules, and the Second Amended Interim Compensation Order. Deloitte FAS’s time reports were entered and organized by the professional or paraprofessional performing the described services on a daily basis.

3. The terms of the Second Amended Interim Compensation Order incorporates the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. 330 by Attorneys in Larger Chapter 11 Cases

(the “Attorney Guidelines”). The terms of the Attorney Guidelines, as the title notes, are designed to “apply only when United States Trustees review applications for compensation filed by attorneys employed under sections 327 or 1103” of the Bankruptcy Code,” rather than other professionals engaged by a debtor or official committee. Attorney Guidelines, ¶ A.2. Among other requirements, the Attorney Guidelines require inclusion of information regarding the law firms’ customary and comparable compensation by means of providing an average rate charged. Unlike many law firms, Deloitte FAS’s fee structures vary widely depending upon the client and the nature of the services to be performed along with the negotiations with a particular client. (These fee structures may be fixed fee, contingent or hourly rate, for example.) Accordingly, Deloitte FAS does not have typical hourly rates that it charges clients for its services against which the Court can compare the hourly rates being charged to a debtor. Moreover, the applicable rate to use as a point of comparison would be difficult to calculate given the various fee structures and the various services performed. Therefore, as previously requested in the Interim Fee Applications, Deloitte FAS respectfully requests that the requirement in the Attorney Guidelines regarding information about customary and comparable compensation be waived for it.

4. Deloitte FAS’s budget and staffing plan for the Final Fee Application Period was also attached to the Interim Fee Applications and are incorporated herein by reference. As the engagement progressed, Deloitte FAS presented to the GPR, a budget and staffing plan. This plan was updated during this process to reflect new information including the actual time taken to perform certain tasks and revised estimates of the time to complete various aspects of the services or estimates of new tasks requested by the GPR. The previously filed budget and staffing plans represented the final numbers presented to the GPR as a part of this process. The actual fees

incurred during the Final Fee Application Period were approximately \$38,251.10 lower than anticipated. This favorable variance was due, in part, to delays in contract renewals entering a new fiscal budget for Puerto Rico, offset by the prioritization of certain deliverable due dates.

5. Summaries of actual and necessary expenses incurred by Deloitte FAS for the Final Fee Application Period were attached to the Interim Fee Applications which, for the sake of brevity, are incorporated herein by reference. Deloitte FAS does not charge for photocopying, outgoing facsimile transmissions, long distance telephone calls or faxes, or the receipt of faxes. Deloitte FAS customarily charges for conference call expenses. These expenses are detailed in substantial compliance with the applicable Bankruptcy Rules, the Local Bankruptcy Rules, and the Second Amended Interim Compensation Order.

6. The services rendered by Deloitte FAS during the Final Fee Application Period can be grouped into the categories set forth below.² Deloitte FAS attempted to place the services provided in the category that best relates to such services. However, because certain services may relate to one or more categories, services pertaining to one category may in fact be included in another category. These services performed are generally described below by category.

7. During the Final Application Fee Period, Deloitte FAS and certain of its affiliates were separately engaged by the GPR to provide services related to assisting the GPR with activities that are not related to restructuring under Title III (the “Non-Title III Services”). The Non-Title III Services included the following: assisting the GPR with its resilience plan for certain aspects of its information technology infrastructure, assisting the GPR’s Department of Treasury (“Hacienda”) with the upgrade of its enterprise resource planning software, assisting the GPR with strategic and compliance services and project management assistance with respect to certain of the

² In performing the services discussed herein, Deloitte FAS has utilized personnel of its affiliates, including those from Deloitte & Touche LLP, Deloitte Tax LLP, Deloitte Transactions and Business Analytics LLP and Deloitte Consulting LLP.

foregoing. These services were billed and paid in accordance with Hacienda guidelines and procedures or similar guidelines and procedures. The nature of the Non-Title III Services was different than the services related to the GPR's restructuring effort under Title III and the personnel providing the Non-Title III Services were, for the most part, different from the personnel providing the Title III services discussed herein. Since the Non-Title III Services are not related to the Title III cases, the time and expense detail associated with this work is not included in this Final Fee Application and the fees and expenses are being paid by Hacienda in the ordinary course as discussed above.

8. Finally, Deloitte Consulting LLP ("Deloitte Consulting"), an affiliate of Deloitte FAS, was engaged by the GPR to provide services related to reform of certain aspects of procurement activities. Deloitte FAS understands that, under the original contract for such services, Deloitte Consulting had agreed, at the request of AAFAF (as defined below), to submit fee applications to this Court and Deloitte Consulting has submitted separate monthly fee statements, interim fee applications, and a final fee application with respect to such services. A subsequent arrangement for follow on services by Deloitte Consulting related to the original contract did not require submission of fee applications.

SUMMARY OF SERVICES PERFORMED

9. This Final Fee Application covers the fees incurred during the Final Fee Application Period. Deloitte FAS believes it appropriate to be compensated for the time spent in connection with these matters, and sets forth a narrative description of the services rendered for the Debtors and the time expended, organized by project task categories, as follows:

A. Cost Management – Payroll, Contracts, Account Payable and Disbursement Processes

10. During the Final Fee Application Period, Deloitte FAS worked with personnel from GPR's Department of the Treasury ("Hacienda"), Office of Management and Budget ("OMB"), and numerous other agencies to evaluate payroll matters, the current processes and controls related to managing accounts payable, procurement and contracting processes, and disbursements in order to assist GPR in identifying potential cost reduction opportunities in FY17 and FY18, which included:

- Meeting with agency personnel to evaluate the process for tracking accounts payable, requisition of goods/services, and approval/processing of disbursements to understand control gaps for remediation;
- Drafting summary flow charts to reflect the current processes at the agency level to track liabilities (accounts payable), initiate purchases (requisition orders), and request payment to external vendors from Hacienda;
- Drafting summary flow charts to reflect the current processes to initiate, approve, and monitor vendor contractual agreements within GPR's centralized contracting system (known as "PCo"), as analyzed by Deloitte FAS;
- Drafting summary of observations, near-term remediation steps and long-term recommendations to assist GPR and its agencies to identify options to develop an improved controls environment related to tracking of liabilities, disbursements, and fixed assets;
- Analyzing the data within the PCo system and the GPR's controller's office (the "Controller's Office") database to provide data-driven insights to Hacienda leadership on the contracts being approved in FY18 by amount, type, and agency;

- Analyzing contracts from the Controller’s Office to assess whether the data on the physical contracts (e.g. vendor, category, term, and authorized amount) was consistent with the data in the PCo database;
- Preparing a work plan to identify potential cost savings related to GPR contracts at the agency level, including analyzing the effects of consolidating vendors and identifying potential anomalies with vendors and associated contracts for further assessment;
- Assisting the Debtors with analyzing cost savings compliance with the FY17 Executive Order by evaluating fiscal year-end documentation provided by the agencies to support asserted savings for presentation to the FOMB Advisors (as defined below); and
- Assisting the Department of Education in overseeing its consultants and software vendors by utilizing time-keeping technologies and other measures in order to evaluate options to remediate incorrect vacation accrual balances.

Period	Time Expended	Fees
Final Fee Application Period	2,484.1 Hours	\$ 1,186,840.20

B. FY17 Executive Order Cost Savings Certification

11. During the Final Fee Application Period, Deloitte FAS worked with Hacienda to evaluate the FY17 cost savings certifications (the “Certifications”) submitted by 12 GPR agencies (as identified by Hacienda leadership) related to the fiscal measures outlined in Executive Order No. 2017-001 sections 4 and 5, dated January 2, 2017 (the “FY17 Executive Order”). As part of the evaluation of the Certifications, Deloitte FAS analyzed source documentation to assess whether such documents supported the categories of asserted savings set forth in the Certifications submitted by 12 GPR agencies by:

- Providing regular updates to Hacienda leadership, the PROMESA Oversight Board (“FOMB”) and its financial advisors, Ernst & Young and McKinsey & Co. (together, the “FOMB Advisors”) on the amount of savings asserted by GPR agencies that had the requisite supporting documentation;
- Meeting with agency personnel to walk-through their Certifications and supporting documentation to gain an understanding of how asserted savings were derived;
- Preparing a summary analysis detailing key findings, issues and recommendations related to the FY17 Executive Order Certification process; and
- Preparing a detailed narrative for 7 of the 12 GPR agencies with asserted savings over \$1 million, which outlined types of savings asserted, whether the documentation provided supported the savings, and key issues identified during the review process.

Period	Time Expended	Fees
Final Fee Application Period	716.7 Hours	\$ 368,066.10

C. FY18 and FY19 GPR Budgets

12. During the Final Fee Application Period, Deloitte FAS assisted OMB with respect to obtaining the data from select agencies needed to revise and report on actual spend versus what was budgeted (“Budget vs. Actual”) in the initial FY18 GPR budget (the “FY18 Budget”). Deloitte FAS provided additional support to assist the Debtors with the FY18 Budget and with the FY19 budgeting (the “FY19 Budget”) preparation as follows:

- Assisting with responses to inquiries from the FOMB Advisors related to the FOMB’s diligence of the FY18 Budget;
- Assisting with responses to inquiries from the FOMB Advisors related to the reconciliation of the FY18 Budget to the PROMESA fiscal plan;

- Working with the Debtors and another of their professionals on the reconciliation of monthly liquidity reports with the Budget vs. Actual analyses;
- Assisting the Debtors with analyses of projected savings in the FY18 Budget as compared to the FY17 budget;
- Performing other analyses requested by OMB, the Puerto Rico Fiscal Agency & Financial Advisory Authority (“AAFAF”), and the FOMB Advisors with respect to the FY18 Budget submission;
- Assisting with responses to requirements established by FOMB related to the development of the FY19 Budget (known as “Milestones”) and related follow-up inquiries;
- Assisting OMB by working with another of its professionals and specific agencies to assess and create a plan for the implementation of a contingent confidential cost savings initiative (the “Contingency Plan”);
- Reconciling monthly salaries by agency in the payroll software database (known as RHUM) with amounts provided by agency personnel to identify variances to help monitor payroll spend;
- Preparing analyses to assess the impact of new executive orders on the FY18 Budget; and
- Assisting OMB with preparing for the FY19 Budget, including creation of templates for data collection and other resources associated with the transition to a zero-based budget.

Period	Time Expended	Fees
Final Fee Application Period	6,372.0 Hours	\$ 3,386,007.00

D. FY18 Tax Revenue Enhancement Initiatives

13. During the Final Fee Application Period, Deloitte FAS assisted Hacienda with the ongoing development of work plans to support the implementation and monitoring of the revenue enhancement initiatives (collectively, the “Revenue Initiatives”) as identified in the PROMESA fiscal plan. As part of this work, Deloitte FAS met regularly with members of the Hacienda leadership team and assisted with the response to inquiries from the FOMB Advisors and AAFAF.

The services generally consisted of the following:

- Establishing timelines for Revenue Initiative milestones;
- Advising on communication protocols to both GPR personnel and the general public outlining Revenue Initiatives;
- Modifying and refining the methodologies for monitoring and tracking the progress of the collections made by Hacienda from Revenue Initiatives against projections;
- Revising work plans related to the Revenue Initiatives based on feedback received from Hacienda leadership, AAFAF, and the FOMB Advisors;
- Further preparing recommendations related to communications protocols, to both GPR personnel and the general public, outlining the Revenue Initiatives and requested information;
- Meeting with, and assisting with responses to inquiries from, the FOMB Advisors and AAFAF related to adjustments to monthly reporting, scorecard evaluation and key performance indicators used to measure the progress of the Revenue Initiatives;
- Assisting Hacienda leadership with the preparation of documents and presentations for meetings with the Governor of Puerto Rico, FOMB and AAFAF regarding the status and progress reports of the Revenue Initiatives;

- Reviewing and assisting with the preparation of diagrams, summary tables, and documents as part of the inventory of tax credits granted by the GPR to be presented to the FOMB;
- Assisting with the development of reports and tables to support efforts of Hacienda leadership in Congress for the possible introduction of amendments to the US Tax Reform for the benefit of Puerto Rico;
- Providing analysis reports to Hacienda leadership regarding the Puerto Rico revised fiscal plan and assisting with the development of presentations and reports related to the revised fiscal plan for AAFAF;
- Evaluating and reporting on the impact of Internal Revenue Unified System (“SURI”) including timeframes;
- Assisting Hacienda leadership evaluate the capabilities of third-party vendor software tax solutions related to the implementation and monitoring of various Revenue Initiatives;
- Participating in various meetings with FOMB and AAFAF consultants to discuss impact models of the Puerto Rico tax reform to achieve “fiscal neutrality” as defined in the fiscal plan;
- Assisting with the collection of data for the preparation of the tax expenditure report as referenced in the fiscal plan;
- Assisting with the collection of data and analysis of the GPR’s general fund monthly collections reports from data included in the new SURI system;

- Assisting with the collection of data and analysis related to sales and use tax collection data and the potential impact in collections of the changes introduced by the Puerto Rico tax reform as part of the COFINA due diligence report;
- Reviewing and analyzing the sales and use tax correspondence audit initiative; and
- Reviewing and analyzing tax policy on various revenue initiatives.

Period	Time Expended	Fees
Final Fee Application Period	17,314.7 Hours	\$ 7,375,582.60

E. GPR Office of the CFO Support

14. During the Final Fee Application Period, Deloitte FAS assisted Hacienda with respect to the design and implementation of a centralized Office of the Chief Financial Officer (“OCFO”) for the key functional areas of government defined within the FOMB approved fiscal plan (Treasury, Central Accounting, Tax, Budgeting, Human Resources, Finance IT, Procurement, and General Services Administration) as follows:

- Assisting with the GPR’s initiative to seek to accelerate the payment of vendor disbursements as they relate to the treasury function of the OCFO with the aim of achieving increased processing speed in order to capture savings
- Assisting in the implementation of a contract control approval process
 - Assisting with the development and implementation of a communications plan for the organizational changes required to implement the OCFO organization
 - Assisting with the evaluation of proposed changes to internal (Hacienda) rules and business processes in advance of the finance IT system upgrade
- Assisting with GPR’s identification and implementation of initiatives to enhance agency reporting, forecasting and cash management;
- Reviewing and advising on saving implementation plan across various agencies;

- Assisting in analyzing agency funding and saving measures versus budgeted amounts at the certain agencies;
- Assisting with the evaluation of proposed changes to internal (Hacienda) rules and business processes in advance of the finance IT system upgrade; and
- Assisting with the streamlining of cash management and bank accounts, as well as the addressing interest income.

Period	Time Expended	Fees
Final Fee Application Period	19,283.5 Hours	\$ 8,193,435.10

F. GPR Modified Accrual Accounting Migration

15. During the Final Fee Application Period, Deloitte FAS assisted central accounting leadership within Hacienda with respect to the development of a plan to migrate GPR financial reporting from cash basis accounting to a modified accrual accounting basis as required by FOMB for Budget vs. Actual reporting on a monthly basis. As part of this work, Deloitte FAS assisted the Debtors by:

- Meeting with central accounting leadership within Hacienda to understand the current processes and procedures performed for a financial close;
- Evaluating the various versions of the accounting system (known as “PRIFAS”) being used by Hacienda and the largest agencies;
- Outlining the components (both systems and controls) that might be needed to complete the modified accrual migration for FOMB reporting; and
- Expanding the accounting migration plan to perform a 90-day assessment on the PeopleSoft systems to support financial reporting needs, which included meeting with stakeholders within Hacienda to understand the current deficiencies, variability of needs, and both near- and long-term goals to support a sustainable

financial reporting infrastructure.

Period	Time Expended	Fees
Final Fee Application Period	1,296.7 Hours	\$ 609,836.10

G. Project Management and Reporting Process for GPR Rightsizing Transformation

16. During the Final Fee Application Period, Deloitte FAS worked with the leadership of Hacienda, Governor’s Office (“Fortaleza”) and the Departments of Economic Development, Family Services, and Public Safety (collectively, the “Designated Agencies”) to assist with the planning, assessment and implementation of GPR’s FY18 transformation initiatives (collectively, the “Transformation Initiatives”). As part of this process, Deloitte FAS assisted the Debtors with respect to:

- Obtaining and analyzing data from the Designated Agencies related to their respective Transformation Initiatives;
- Assisting the Debtors with analyses related to reconciling right-sizing savings initiatives in the FY18 Budget associated with detailed agency-level expense measures (both personnel and non-personnel), including collecting data to respond to related inquiries from AAFAF and FOMB Advisors in templates provided;
- Supporting leadership of the Designated Agencies with identifying potential areas for transformation and providing analyses to connect the FY18 Budget with the PROMESA fiscal plan;
- Supporting leadership of the Designated Agencies with planning efforts related to the Transformation Initiatives, including communications, business case development, and restructuring options;
- Producing weekly and ad-hoc dashboards with performance indicators for Hacienda, Fortaleza and Designated Agency leadership to show progress on the

Transformation Initiatives;

- Working with leadership of Hacienda, Fortaleza, and Designated Agencies to set up and facilitate the use of proprietary project management software (“Project Central”) to assist with collecting and centralizing data, monitoring milestones and evaluating the progress of the Transformation Initiatives outlined in the PROMESA fiscal plan;
- Preparing consolidated reports on agency actions to reduce cost using the templates provided by the FOMB Advisors;
- Facilitating training sessions with GPR personnel on Project Central to enable additional enhanced reporting based on inputs from Designated Agency employees involved in the Transformation Initiatives; and
- Preparing drafts of bi-weekly reports with input from Hacienda leadership and the Debtors’ other professionals to provide updates on the Transformation, Cost Management, Revenue Enhancement, and Budget Initiatives for meetings with the PROMESA Executive Director, AAFAF and the FOMB Advisors.

Period	Time Expended	Fees
Final Fee Application Period	4,059.9 Hours	\$ 1,836,180.90

H. Confidential GPR Revenue Enhancement Initiative

17. During the Final Fee Application Period, Deloitte FAS assisted Hacienda with respect to the research, financial forecast and other analysis related to a proposed Confidential GPR Revenue Enhancement Initiative as follows:

- Developing the framework of key inputs, and financial revenue model to project prospective expanded revenue;

- Researching the Puerto Rican demographics and current state of similar activities to project the prospective revenue enhancement to the GPR;
- Researching similar revenue models implemented in other jurisdictions to assess like considerations and impact to revenue expansion; and
- Reviewing potential contract counterparties and their proposed capabilities and timelines for potential implementation.

Period	Time Expended	Fees
Final Fee Application Period	1,658.7 Hours	\$ 785,659.50

I. ASES Provider RFP Response Evaluation

18. During the Final Fee Application Period, Deloitte FAS assisted the Administracion de Seguros de Salud (“ASES”), the health insurance administration, with respect to its evaluation of responses to a request for proposal (“RFP”) from insurance and health care vendors to serve as managed care organizations (“MCOs”) or any other approved health organization in Puerto Rico that meets the Centers for Medicare and Medicaid Services definition of an MCO to provide services to enrollees of the Puerto Rico Government health plan program. Deloitte FAS assisted ASES as follows:

- Reviewing responses to questions related to financial management and provider reimbursement models, including Diagnostic Related Grouping (“DRG”) payment models and alternative payment methodologies;
- Providing scores and additional supporting comments for each response submitted by each RFP respondent; and
- Assisting the members of Subcommittee Four on reaching a consensus on scores to be submitted to the ASES Executive Committee for recommendation.

Period	Time Expended	Fees
Final Fee Application Period	34.3 Hours	\$ 20,310.30

J. Monthly Fee Statement / Interim Fee Application Preparation

19. During the Final Fee Application Period, Deloitte FAS prepared various Monthly Fee Statements, the Interim Fee Applications and supporting documentation, all in accordance with the Second Amended Interim Compensation Order. Deloitte FAS's request of \$690,834.40 is related to this category during the Final Fee Application Period represents 2.8% of total fees sought from the inception of this matter.

Period	Time Expended	Category Fees	Total Fees	% of Total
First Interim Fee Application Period	174.2 hours	\$ 64,416.60	\$ 7,031,300.31	0.9%
Second Interim Fee Application Period	314.2 hours	\$ 142,871.40	\$ 1,008,156.30	14.2%
Third Interim Fee Application Period	244.9 hours	\$ 107,603.70	\$ 3,492,578.70	3.1%
Fourth Interim Fee Application Period	127.3 hours	\$ 56,837.10	\$ 3,021,163.10	1.9%
Fifth Interim Fee Application Period	150.6 hours	\$ 63,921.90	\$ 2,040,973.20	3.1%
Sixth Interim Fee Application Period	429.6 hours	\$ 181,725.00	\$ 5,891,411.40	3.1%
Seventh Interim Fee Application Period	182.3 hours	\$ 63,434.80	\$ 1,988,099.60	3.2%
Eighth Interim Fee Application Period	37.3 hours	\$ 10,023.90	\$ 461,748.90	2.2%
Total	1,660.4 hours	\$ 690,834.40	\$ 24,935,431.51	2.8%

K. Plan, Supervise and Review

20. During Final Fee Period, Deloitte FAS planned and coordinated work streams to be performed, and discussed outstanding issues and information deficiencies related to client deliverables. These services generally related to coordinating among the various workstreams discussed herein; however, the same type of activities within workstreams were captured in the time associated with the various substantive work categories.

Period	Time Expended	Fees
Final Fee Application Period	943.4 Hours	\$ 517,068.41

L. Other Concessions Provided to Debtors by Deloitte FAS

21. During the Final Fee Application Period, a number of professionals included in this Final Fee Application were not locally-based and incurred significant non-working travel time each week. Deloitte FAS normally bills its clients for non-working travel time incurred by its professionals at 50% of their hourly rates. However, Deloitte FAS has agreed not to charge the

Debtors fees incurred for non-working travel time to the Debtors' location as part of its FY19 Contract. Additionally, during the course of the Title III cases in connection with the review of the Interim Fee Applications by the Court-appointed fee examiner, Deloitte FAS agreed to certain additional reductions of both requested fees and expenses based upon discussions therewith. These agreed-upon reductions are reflected in the amount requested herein.

CERTIFICATE OF COMPLIANCE AND REQUEST FOR WAIVER

22. Attached to the Interim Fee Applications were declarations of Kirk Blair, the undersigned representative of Deloitte FAS, in support of those fee applications. These declarations are hereby incorporated herein by reference. To the extent that the Final Fee Application does not comply in all respects with the requirements of the rules referenced herein or that may be otherwise be applicable, Deloitte FAS believes that such deviations are not material and respectfully requests that any such requirement be waived.

WHEREFORE, Deloitte FAS respectfully requests (i) allowance of compensation, on a final basis, in the amount of \$23,924,332.83, which represents 100% of the total compensation for professional services rendered during the Final Fee Application Period, (ii) reimbursement of actual and necessary expenses, on a final basis, in the amount of \$1,269,767.31 for a total allowance of \$25,194,100.14, (iii) the Debtors be directed to pay the foregoing amounts to the extent not previously paid and (iv) such other and further relief as the Court determines to be just and proper.

Dated: November 18, 2022
Parsippany, New Jersey

Respectfully submitted,



Kirk Blair, Partner
Deloitte Financial Advisory Services LLP
100 Kimball Drive
Parsippany, New Jersey 07054
Telephone: 973-602-5626
DEBTORS' ADVISOR

EXHIBIT A

**DECLARATION OF KIRK BLAIR IN SUPPORT OF THE FINAL FEE APPLICATION OF
DELOITTE FINANCIAL ADVISORY SERVICES LLP FOR SERVICES RENDERED AND
REIMBURSEMENT OF EXPENSES INCURRED AS ADVISOR TO THE
COMMONWEALTH OF PUERTO RICO**

MAY 3, 2017 THROUGH NOVEMBER 30, 2019

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**DECLARATION OF KIRK BLAIR IN SUPPORT OF THE FINAL FEE APPLICATION
OF DELOITTE FINANCIAL ADVISORY SERVICES LLP FOR ALLOWANCE OF
COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF
EXPENSES INCURRED AS ADVISOR TO THE COMMONWEALTH OF
PUERTO RICO FROM MAY 3, 2017 THROUGH NOVEMBER 30, 2019**

Kirk Blair deposes and says:

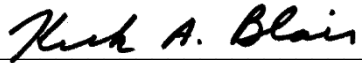
1. I am a Partner in the applicant firm, Deloitte Financial Advisory Services LLP (“Deloitte FAS”).
2. I was aware of or involved in the provision of the services, as an engagement partner, the professional services rendered by Deloitte FAS, as advisor to the Government of Puerto Rico, and am familiar with the work for the Debtors referenced in the attached fee application.
3. I have reviewed the foregoing *Final Fee Application of Deloitte Financial Advisory Services LLP for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred as Advisor* (the “Final Fee Application”), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. To my knowledge and subject to the statements made in the First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Interim Fee Applications, the Final Fee Application substantially complies with applicable provisions of PROMESA,² the Bankruptcy Rules, the Local Rules, and this Court’s *Second Amended Order Setting*

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS); (iii) Puerto Rico Highways and Transportation Authority (Bankruptcy Case No. 17 BK 3567-LTS); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3566-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Final Fee Application.

Procedures for Interim Compensation and Reimbursement of Expenses of Professionals, dated June 6, 2018 [Docket No. 3269].

Dated: November 18, 2022



Kirk Blair